

# CITY OF BELLINGHAM

## JUNE 2009 FINANCIAL REPORT

### Highlights

- Citywide revenues of \$88.5 million are 41% of the annual budget. Operating expenditures of \$70.7 million are 42% of the annual budget. Capital expenditures of \$14.1 million are 14% of the annual budget.
- General Fund revenues of \$32.1 million are 48% of the annual budget. General Fund operating expenditures of \$29.8 million are 45% of the annual budget.
- The City had \$136.2 million invested earning an average of 3.28%, compared to earnings of 4.53% at this time last year.
- Printed copies of this report are available to the public in the Finance Office. Copies of this and prior months reports are posted on the Finance website at:  
<http://www.cob.org/government/departments/finance/reports.aspx>

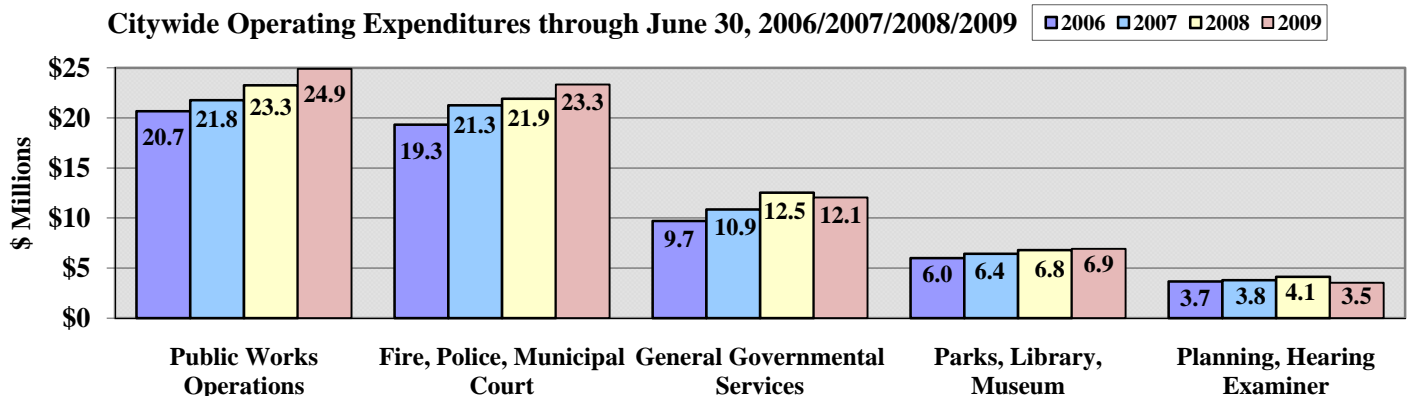
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Citywide – Cash & Investments		Citywide – Investment Interest Received		Citywide – Operating Expenditures	
6/30/2009	\$ 139,778,664	6/30/2009	\$ 2,548,623	6/30/2009	\$ 70,742,519
6/30/2008	155,293,347	6/30/2008	3,326,126	6/30/2008	70,714,422
Decrease	-10.0% \$ (15,514,683)	Decrease	-23.4% \$ (777,503)	Increase	0.0% \$ 28,097
General Fund – Revenues*		General Fund – Operating Expenditures		General Fund – Salaries & Benefits Exp.	
6/30/2009	\$ 32,146,642	6/30/2009	\$ 29,751,560	6/30/2009	\$ 22,153,085
6/30/2008	35,406,979	6/30/2008	32,159,698	6/30/2008	20,626,100
Decrease	-9.2% \$ (3,260,337)	Decrease	-7.5% \$ (2,408,138)	Increase	7.4% \$ 1,526,985

\*Beginning in FY 2009, the General Fund's allocation of sales tax revenue was increased from 50% to 57.5%.

**Citywide Operating Expenditures through June 30, 2006/2007/2008/2009**



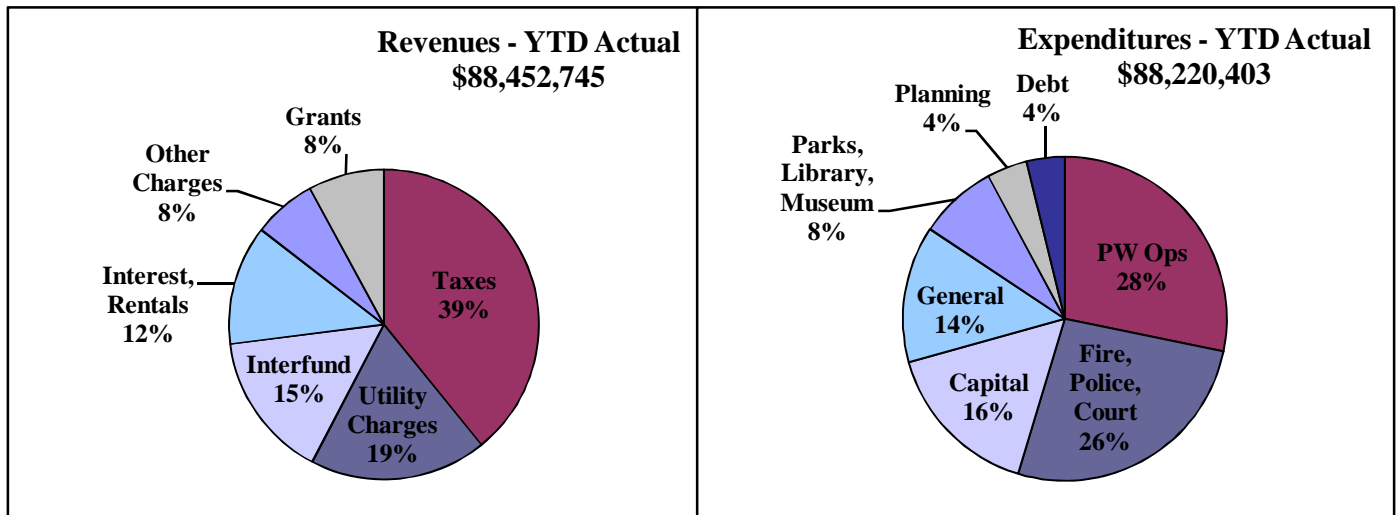
Please refer questions or comments on financial reports to John Carter, Finance Director, or Kipp Drummond, Accounting Manager.

City Website: <http://www.cob.org>

Financial Reports Website: <http://www.cob.org/government/departments/finance/reports.aspx>

**June 2009**  
**City of Bellingham**  
**Citywide, All Funds, Combined Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 139,937,693	\$ 133,923,629	-4%	\$ 133,923,629	100%
<b>Revenues</b>					
Property Taxes	9,801,451	9,810,555	0	18,268,060	54
Sales Tax	9,289,189	7,909,013	-15	17,428,883	45
B & O Tax	6,450,555	5,742,932	-11	12,032,381	48
Utility Taxes (1)	7,584,753	8,319,097	10	14,621,500	57
Other Taxes	3,190,859	2,856,924	-10	6,680,750	43
Grants, Entitlements, Revenue Sharing	5,811,210	7,010,897	21	44,915,383	16
Utility Charges for Services	18,182,083	16,363,887	-10	35,747,698	46
Other Charges, Fines, Permits, Licenses	5,818,182	5,840,436	0	12,385,453	47
Interest, Rentals, Bonds, Other Revenues (2)	19,359,514	11,037,990	-43	26,271,715	42
Interfund Sales & Service	14,305,660	11,833,211	-17	23,594,693	50
Interfund Loans & Transfers (3)	6,841,837	1,727,803	-75	5,404,444	32
<b>Total Revenues</b>	<b>106,635,293</b>	<b>88,452,745</b>	<b>-17</b>	<b>217,350,960</b>	<b>41</b>
<b>Operating Expenditures</b>					
General Governmental Services	12,573,720	12,052,946	-4	28,080,193	43
Fire, Police, Municipal Court	24,167,035	23,342,606	-3	49,174,450	47
Public Works Operations	23,259,743	24,896,701	7	64,769,651	38
Planning, Hearing Examiner	3,918,359	3,535,635	-10	11,132,673	32
Libraries, Museums, Parks	6,795,565	6,914,631	2	16,230,971	43
<b>Total Operating Expenditures</b>	<b>70,714,422</b>	<b>70,742,519</b>	<b>0</b>	<b>169,387,938</b>	<b>42</b>
<b>Capital and Debt Expenditures</b>					
Capital Expenditures (2)	17,421,972	14,101,278	-19	97,995,858	14
Debt Service, Loans, Transfers (3)	8,492,264	3,376,606	-60	14,051,621	24
<b>Total Capital and Debt Expenditures</b>	<b>25,914,236</b>	<b>17,477,884</b>	<b>-33</b>	<b>112,047,479</b>	<b>16</b>
<b>Total Expenditures</b>	<b>96,628,658</b>	<b>88,220,403</b>	<b>-9</b>	<b>281,435,417</b>	<b>31</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 149,944,328</b>	<b>\$ 134,155,971</b>	<b>-11%</b>	<b>\$ 69,839,172</b>	<b>192%</b>



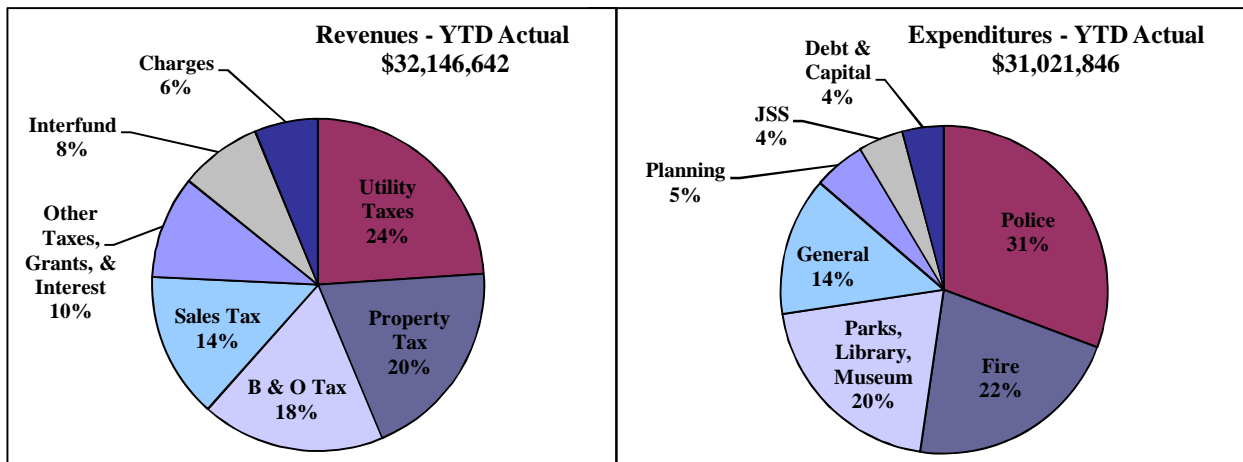
(1) 2009: Utility rates increased in FY 2009, resulting in increased utility tax revenue as compared to the prior year. Additionally, \$920K collected in back utility taxes is currently being appealed.

(2) 2008: Includes interfund purchase and sale of the Cornwall property (\$2.45 million in January) and Colony Wharf property (\$3.3 million in March) and an August bond issuance of \$6.04 million to purchase watershed property.

(3) 2008: Interfund loan between fire and pension funds resulting in a revenue and expense of \$2.25 million for fire truck replacements.

**June 2009**  
**City of Bellingham**  
**General Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 25,481,318	\$ 17,326,870	-32%	\$ 17,326,870	100%
<b>Revenues</b>					
Property Tax	6,551,519	6,370,293	-3	12,296,000	52
Sales Tax (1)	4,657,812	4,556,042	-2	9,716,121	47
B & O Tax	6,450,555	5,742,932	-11	12,032,381	48
Utility Taxes (2)	6,956,806	7,681,565	10	13,341,500	58
Other Taxes (3)	1,508,057	1,704,293	13	2,880,750	59
Grants, Entitlements, Revenue Sharing	776,672	880,181	13	2,833,954	31
Charges, Fines, Permits, Licenses	1,886,641	1,997,115	6	4,208,116	47
Interest, Rentals, Bonds, Other Revenues (4)	1,970,091	637,053	-68	4,340,632	15
Interfund Sales & Service	2,074,780	2,112,007	2	4,253,707	50
Interfund Loans & Transfers	2,574,046	465,161	-82	1,196,290	39
<b>Total Revenues</b>	<b>35,406,979</b>	<b>32,146,642</b>	<b>-9</b>	<b>67,099,451</b>	<b>48</b>
<b>Operating Expenditures</b>					
Executive	838,531	616,594	-26	2,136,752	29
Legislative	223,171	213,946	-4	459,742	47
Hearings Examiner	88,073	85,996	-2	197,433	44
Museum	761,802	730,270	-4	1,754,266	42
Library	1,925,621	1,962,901	2	3,924,790	50
Finance (5)	1,514,634	924,148	-39	1,996,908	46
Human Resources	636,086	606,074	-5	1,503,258	40
Information Technology	1,178,172	1,275,525	8	2,588,920	49
Legal	646,796	624,135	-4	1,544,346	40
Judicial & Support Services	1,256,565	1,386,637	10	3,160,832	44
Parks & Recreation	3,618,407	3,581,542	-1	7,777,135	46
Planning & Community Development	1,424,574	1,497,889	5	4,194,664	36
Fire	8,627,189	6,708,546	-22	14,114,431	48
Police	9,420,077	9,537,357	1	20,330,258	47
<b>Total Operating Expenditures</b>	<b>32,159,698</b>	<b>29,751,560</b>	<b>-7</b>	<b>65,683,735</b>	<b>45</b>
<b>Capital and Debt Expenditures</b>					
Capital Expenditures (6)	5,921,203	248,510	-96	3,375,569	7
Debt Service, Loans, Transfers	1,515,624	1,021,776	-33	4,097,052	25
<b>Total Capital and Debt Expenditures</b>	<b>7,436,827</b>	<b>1,270,286</b>	<b>-83</b>	<b>7,472,621</b>	<b>17</b>
<b>Total Expenditures</b>	<b>39,596,525</b>	<b>31,021,846</b>	<b>-22</b>	<b>73,156,356</b>	<b>42</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 21,291,772</b>	<b>\$ 18,451,666</b>	<b>-13%</b>	<b>\$ 11,269,965</b>	<b>164%</b>



- (1) 2009: Beginning in FY 2009, the General Fund's allocation of sales tax revenue was increased from 50% to 57.5%.
- (2) 2009: Utility rates increased in FY 2009, resulting in increased utility tax revenue as compared to the prior year. Additionally, \$920K collected in back utility taxes is currently being appealed.
- (3) 2009: Increase in other taxes revenue largely attributable to an increase in delinquent B & O tax recoveries from FY 2008 as opposed to B & O tax recoveries collected in the prior year.
- (4) 2008: The City received \$1 million from an insurance settlement for toxic land remediation.
- (5) 2008: Finance expenditures include one time costs of \$251K relating to the purchase of the Cornwall property in January 2008 and one time costs of \$339K relating to the purchase of the Colony Wharf property in March 2008.
- (6) 2008: Cornwall property purchase of \$2.45 million and Colony Wharf property purchase of \$3.3 million.

**June 2009**  
**City of Bellingham**  
**Available General Fund Reserve Report**

<b>2009 Adopted Budget with Amendments</b>	<b>Beginning Budget</b>	<b>Undesignated Balance</b>	<b>Designated Balance (1)</b>	<b>Combined Balance</b>
Adopted Beginning Available Resources	\$ 12,689,183	-	-	-
Adopted Budgeted Revenues	67,242,222	-	-	-
Adopted Budgeted Expenditures	\$ 72,193,313	-	-	-
Adopted Available Ending Unrestricted Balance		\$ -	\$ 7,738,092	\$ 7,738,092
<b>Adjustments affecting Available Ending Balance</b>				
<b>General Fund Budget Ordinances/Transfers:</b>				
2009-04-011 Adjustments to 2009 Beginning Balance		1,413,523	-	1,413,523
2009-04-011 Adjustments to 2009 Beginning Balance		-	3,224,164	3,224,164
2009-04-012 Re-appropriation of encumbered balances from 2008 Budget		(972,000)	-	(972,000)
2009-04-013 Re-appropriation of unencumbered balances from 2008 Budget		(49,013)	-	(49,013)
2009-04-014 Budget amendment reducing revenue and expenditures		(210,000)	-	(210,000)
2009-06-035 Community Dev. project reallocation for admin. services labor		22,052	-	22,052
2009-07-049 Byrne/Jag Recovery Grant for gang prevention/suppression		103,147	-	103,147
<b>Available Ending Balance</b>	<b>6/30/2009</b>	<b>\$ 307,709</b>	<b>\$ 10,962,256</b>	<b>\$ 11,269,965</b>

**Notes**

*(1) Designated Balance amounts are reserved by Council in the 2009 Revised Budget as follows: General Fund Reserve of \$9,461,147 and Other Departmental Reserves of \$1,501,109.*

**June 2009**  
**City of Bellingham**  
**Special Revenue Funds, Revenue/Expenditure Summary**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Park Site Acquisition/Technology Replacement and Reserve/Capital Maintenance/Library Gift Funds #120</b>					
Budgeted Beginning Balance	\$ 6,285,612	\$ 6,250,305	-1%	\$ 6,250,305	100%
Revenues*	920,855	458,155	-50	716,144	64
Expenditures	456,260	949,453	108	5,767,600	16
Projected/Budgeted Ending Balance	\$ 6,750,207	\$ 5,759,007	-15%	\$ 1,198,849	480%

\*2008: The City transferred \$400K to computer reserve and \$350K to capital maintenance.

<b>Olympic/Oeser Settlement Funds Funds #130</b>					
Budgeted Beginning Balance	\$ 1,356,803	\$ 1,491,421	10%	\$ 1,491,421	100%
Revenues	1,101,103	59,975	-95	123,894	48
Expenditures	43,356	78,615	81	1,197,986	7
Projected/Budgeted Ending Balance	\$ 2,414,550	\$ 1,472,781	-39%	\$ 417,329	353%

<b>Real Estate Excise Tax Funds #140</b>					
Budgeted Beginning Balance	\$ 9,051,120	\$ 6,788,661	-25%	\$ 6,788,661	100%
Revenues*	1,451,974	1,142,783	-21	6,904,555	17
Expenditures	1,629,324	1,852,749	14	11,211,076	17
Projected/Budgeted Ending Balance	\$ 8,873,770	\$ 6,078,695	-31%	\$ 2,482,140	245%

\*2009: Budgeted revenue projections include grant revenue. Additionally, total estimated REET tax collections for FY 2009 is \$2.8 million.

<b>Police Special Rev Funds #150</b>					
Budgeted Beginning Balance	\$ 685,361	\$ 834,808	22%	\$ 834,809	100%
Revenues	324,848	164,538	-49	357,864	46
Expenditures	80,277	203,519	154	559,126	36
Projected/Budgeted Ending Balance	\$ 929,932	\$ 795,827	-14%	\$ 633,547	126%

<b>Public Safety Dispatch Fund #160</b>					
Budgeted Beginning Balance	\$ 2,033,803	\$ 1,813,305	-11%	\$ 1,813,305	100%
Revenues	1,964,036	2,047,441	4	4,059,670	50
Expenditures	1,982,115	2,077,162	5	4,244,614	49
Projected/Budgeted Ending Balance	\$ 2,015,724	\$ 1,783,584	-12%	\$ 1,628,361	110%

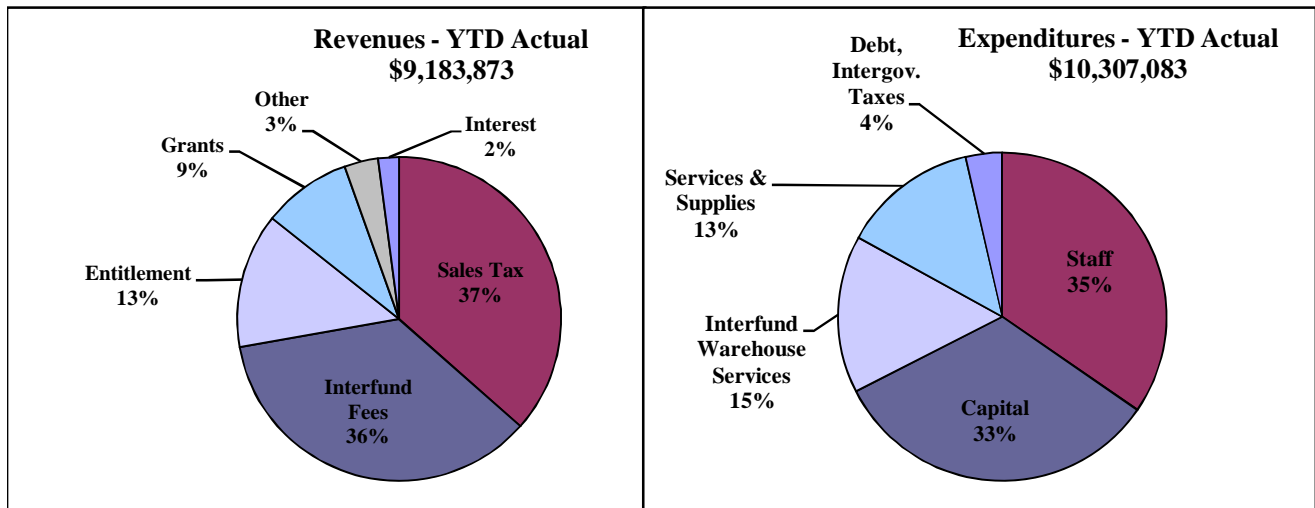
<b>Parks Funds #170 (includes Beyond Greenways III &amp; Park Impact Fees)</b>					
Budgeted Beginning Balance	\$ 8,890,121	\$ 8,979,673	1%	\$ 8,979,673	100%
Revenues	2,520,672	2,541,860	1	7,099,268	36
Expenditures	1,899,097	787,239	-59	14,219,549	6
Projected/Budgeted Ending Balance	\$ 9,511,696	\$ 10,734,294	13%	\$ 1,859,392	577%

<b>Tourism Fund #180</b>					
Budgeted Beginning Balance	\$ 383,171	\$ 433,247	13%	\$ 433,247	100%
Revenues	456,152	357,924	-22	1,013,432	35
Expenditures	390,539	412,070	6	1,212,340	34
Projected/Budgeted Ending Balance	\$ 448,784	\$ 379,101	-16%	\$ 234,339	162%

<b>Community Development Grants Fund #190 &amp; 191</b>					
Budgeted Beginning Balance	\$ 451,483	\$ 59,558	-87%	\$ 59,558	100%
Revenues	599,889	590,268	-2	3,816,885	15
Expenditures	678,636	643,217	-5	3,822,053	17
Projected/Budgeted Ending Balance	\$ 372,736	\$ 6,609	-98%	\$ 54,390	12%

**June 2009**  
**City of Bellingham**  
**Street Funds Operating Statement**

Street Funds #110, Special Revenue	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 11,071,601	\$ 10,493,480	-5%	\$ 10,493,480	100%
<b>Revenues</b>					
Sales Tax	(1) 4,631,377	3,352,971	-28	7,712,762	43
Federal/State Grants	124,927	812,193	550	21,278,485	4
Entitlements	1,174,749	1,238,091	5	3,491,826	35
Interfund Fees	3,300,540	3,277,558	-1	6,307,854	52
Investment Interest	266,608	190,722	-28	492,206	39
Other Revenues	160,478	312,338	95	1,084,890	29
Other Financing Sources	-	-	0	6,500	0
<b>Total Revenues</b>	<b>9,658,679</b>	<b>9,183,873</b>	<b>-5</b>	<b>40,374,523</b>	<b>23</b>
<b>Operating Expenditures</b>					
Salaries, Wages & Benefits	3,515,595	3,564,702	1	7,709,226	46
Supplies	315,071	297,219	-6	913,593	33
Services-Professional, Repairs, Utilities	979,144	1,082,979	11	4,579,429	24
Intergovernmental Services, Taxes, & Fees	187,911	161,987	-14	366,000	44
Interfund-Warehouse & Services	1,617,882	1,598,005	-1	3,206,711	50
<b>Total Operating Expenditures</b>	<b>6,615,603</b>	<b>6,704,892</b>	<b>1</b>	<b>16,774,959</b>	<b>40</b>
<b>Capital and Debt Expenditures</b>					
Capital Outlay	2,068,315	3,393,201	64	32,700,442	10
Debt-(Principal & Interest), Interfund Loans, & Transfers	226,406	208,990	-8	265,490	79
<b>Total Capital and Debt Expenditures</b>	<b>2,294,721</b>	<b>3,602,191</b>	<b>57</b>	<b>32,965,932</b>	<b>11</b>
<b>Total Expenditures</b>	<b>8,910,324</b>	<b>10,307,083</b>	<b>16</b>	<b>49,740,891</b>	<b>21</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 11,819,956</b>	<b>\$ 9,370,270</b>	<b>-21%</b>	<b>\$ 1,127,112</b>	<b>831%</b>



(1) 2009: Beginning in FY 2009, the Street Fund receives 42.5% of City sales tax revenue, as opposed to 50% in the prior year.

**June 2009**  
**City of Bellingham**  
**Enterprise Funds, Revenue/Expenditure Summary**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Storm &amp; Surface Water Fund #430</b>					
Budgeted Beginning Balance	\$ 3,598,554	\$ 3,643,086	1%	\$ 3,643,086	100%
Revenues	2,395,684	2,418,669	1	5,130,363	47
Expenses	1,955,458	2,352,725	20	7,992,265	29
Projected/Budgeted Ending Balance	\$ 4,038,780	\$ 3,709,030	-8%	\$ 781,184	475%

<b>Solid Waste Fund #440</b>					
Budgeted Beginning Balance	\$ 2,534,269	\$ 7,302,549	188%	\$ 7,302,549	100%
Revenues*	7,191,373	863,017	-88	1,782,896	48
Expenses*	2,901,477	383,582	-87	2,376,071	16
Projected/Budgeted Ending Balance	\$ 6,824,165	\$ 7,781,984	14%	\$ 6,709,374	116%

*\*2008: Includes January sale of Cornwall property (\$2.5 million) and repayment of corresponding loan. Also includes March sale of Colony Wharf property (\$3.3 million).*

<b>Cemetery Fund #456</b>					
Budgeted Beginning Balance	\$ 404,284	\$ 372,134	-8%	\$ 372,134	100%
Revenues	300,554	258,697	-14	617,813	42
Expenses	302,812	314,634	4	600,576	52
Projected/Budgeted Ending Balance	\$ 402,026	\$ 316,197	-21%	\$ 389,371	81%

<b>Golf Course Fund #460*</b>					
Budgeted Beginning Balance	\$ 58,450	\$ 52,877	-10%	\$ 52,877	100%
Revenues	96,997	94,846	-2	182,137	52
Expenses	51,546	41,469	-20	178,010	23
Projected/Budgeted Ending Balance	\$ 103,901	\$ 106,254	2%	\$ 57,004	186%

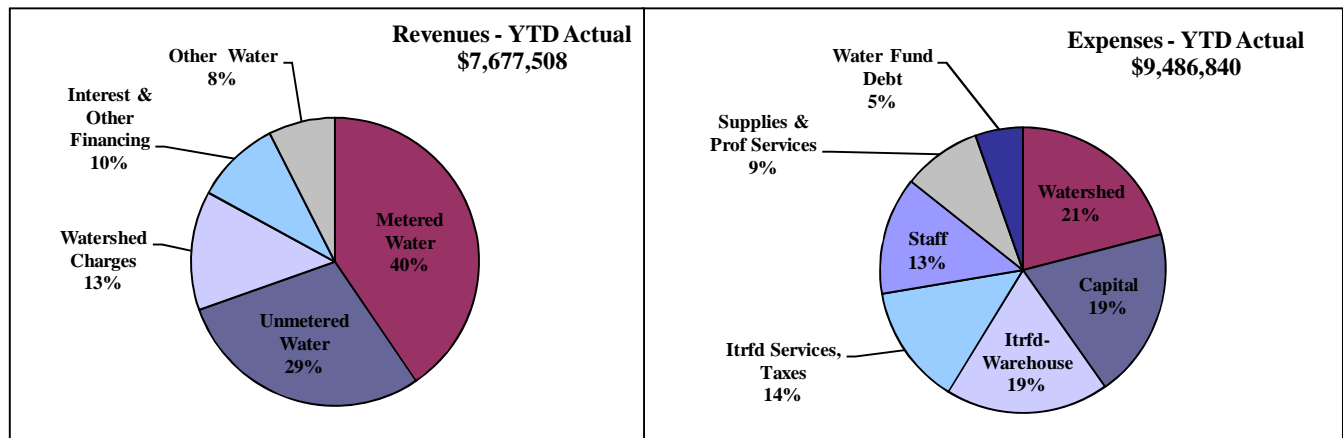
*\*2008: As of January 2008, the Golf Course is operated by a private company under lease from the City.*

<b>Development Services Fund #475</b>					
Budgeted Beginning Balance	\$ 1,215,916	\$ 639,391	-47%	\$ 639,391	100%
Revenues	1,238,736	1,080,825	-13	1,811,340	60
Expenses	1,540,532	1,032,975	-33	2,030,411	51
Projected/Budgeted Ending Balance	\$ 914,120	\$ 687,241	-25%	\$ 420,320	164%

<i>Development Services Activity YTD</i>	<u>2008</u>	<u>2009</u>
<i>Permits</i>	411	311
<i>Units</i>	125	47
<i>Valuation (\$millions)</i>	\$84.7	\$47.9

**June 2009**  
**City of Bellingham**  
**Water Fund Operating Statement**

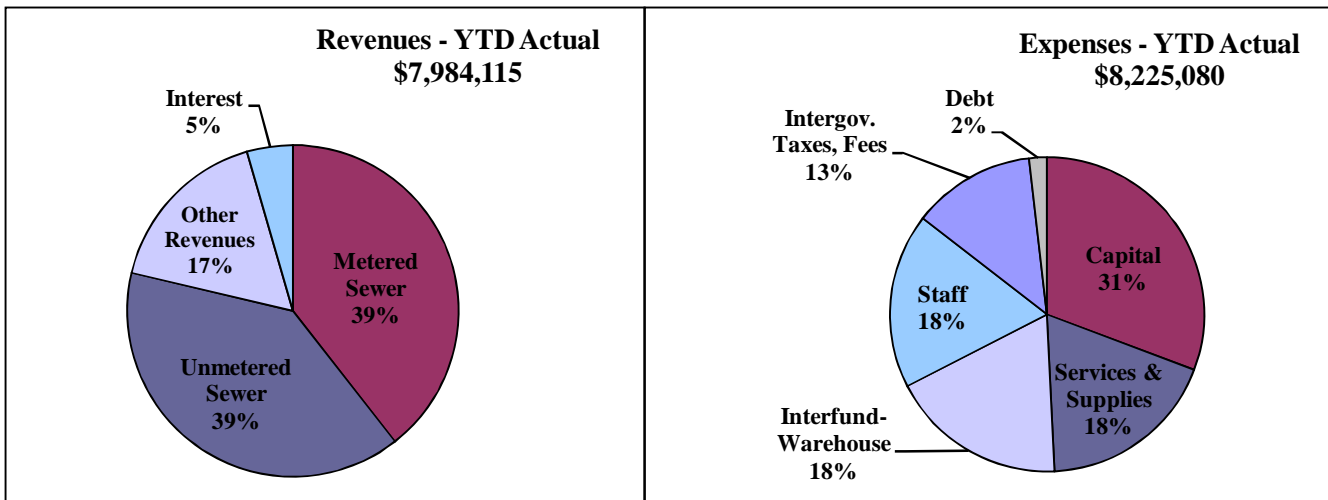
Water Fund #410, Enterprise	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance - Water Operations</b>	\$ 14,515,044	\$ 12,824,766	-12%	\$ 12,824,766	100%
<b>Revenues</b>					
Unmetered Water	(1) 2,056,730	2,233,038	9	4,482,000	50
Metered Water	(1) 2,781,478	3,108,548	12	6,135,400	51
Other Water System Charges	(2) 997,670	573,199	-43	2,587,846	22
Investment Interest	341,440	189,432	-45	556,494	34
Other Revenues	496,063	417,926	-16	733,750	57
Other Financing Sources	-	-	0	2,930,000	0
<b>Total Revenues</b>	<b>6,673,381</b>	<b>6,522,143</b>	<b>-2</b>	<b>17,425,490</b>	<b>37</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	1,226,628	1,261,606	3	2,676,995	47
Supplies & Services-Professional, Repairs, Utilities	903,176	852,439	-6	3,636,656	23
Intergovernmental Services, Taxes, & Fees	1,111,608	1,289,611	16	2,778,750	46
Interfund-Warehouse & Services	1,888,059	1,759,484	-7	4,004,450	44
<b>Total Operating Expenses</b>	<b>5,129,471</b>	<b>5,163,140</b>	<b>1</b>	<b>13,096,851</b>	<b>39</b>
<b>Capital and Debt Expenses</b>					
Capital Outlay	2,096,339	1,825,934	-13	14,191,656	13
Debt-(Principal & Interest), Interfund Loans, & Transfers	412,741	508,167	23	1,367,819	37
<b>Total Capital and Debt Expenses</b>	<b>2,509,080</b>	<b>2,334,101</b>	<b>-7</b>	<b>15,559,475</b>	<b>15</b>
<b>Total Expenses</b>	<b>7,638,551</b>	<b>7,497,241</b>	<b>-2</b>	<b>28,656,326</b>	<b>26</b>
<b>Projected/Budgeted Ending Balance - Water Operations</b>	<b>\$ 13,549,874</b>	<b>\$ 11,849,668</b>	<b>-13%</b>	<b>\$ 1,593,930</b>	<b>743%</b>
<b>Budgeted Beginning Balance - Watershed Activity</b>	\$ 476,971	\$ 4,784,519	903%	\$ 4,784,519	100%
<b>Revenues</b>					
Watershed Charges	1,003,527	1,015,531	1	2,080,000	49
Demand Charges	7,009	11,621	66	-	100
Investment Interest & Other Revenue	12,042	128,213	965	23,647	542
<b>Total Revenues</b>	<b>1,022,578</b>	<b>1,155,365</b>	<b>13</b>	<b>2,103,647</b>	<b>55</b>
<b>Operating Expenses</b>					
Supplies & Services	13,532	9,074	-33	195,166	5
Intergovernmental Services, Taxes, & Fees	190,477	188,502	-1	421,052	45
<b>Total Operating Expenses</b>	<b>204,009</b>	<b>197,576</b>	<b>-3</b>	<b>616,218</b>	<b>32</b>
<b>Capital and Debt Expenses</b>					
Capital Outlay	457,789	1,707,823	273	3,805,000	45
Debt-(Principal & Interest), Interfund Loans, & Transfers	93,000	84,200	-9	615,817	14
<b>Total Capital and Debt Expenses</b>	<b>550,789</b>	<b>1,792,023</b>	<b>225</b>	<b>4,420,817</b>	<b>41</b>
<b>Total Expenses</b>	<b>754,798</b>	<b>1,989,599</b>	<b>164</b>	<b>5,037,035</b>	<b>39</b>
<b>Projected/Budgeted Ending Balance - Watershed</b>	<b>\$ 744,751</b>	<b>\$ 3,950,285</b>	<b>430%</b>	<b>\$ 1,851,131</b>	<b>213%</b>
<b>Projected/Budgeted Ending Balance - Water/Watershed Combined</b>	<b>\$ 14,294,625</b>	<b>\$ 15,799,953</b>	<b>11%</b>	<b>\$ 3,445,061</b>	<b>459%</b>



(1) 2009: Water utility rates increased in FY 2009, resulting in increased utility revenue as compared to the prior year.  
(2) 2009: Decrease from prior year attributable to the decline in water hookup fees as a result of a decrease in new construction.

**June 2009**  
**City of Bellingham**  
**Wastewater Fund Operating Statement**

		Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Wastewater Fund #420, Enterprise</b>						
<b>Budgeted Beginning Balance</b>	\$	17,761,257	\$ 18,806,260	6%	\$ 18,806,260	100%
<b>Revenues</b>						
Unmetered Sewer	(1)	2,853,690	3,134,098	10	6,087,806	51
Metered Sewer	(1)	3,071,540	3,148,426	3	6,411,487	49
Investment Interest		433,632	359,042	-17	747,573	48
Other Revenues	(2)	3,583,855	1,342,549	-63	4,126,005	33
<b>Total Revenues</b>		<b>9,942,717</b>	<b>7,984,115</b>	<b>-20</b>	<b>17,372,871</b>	<b>46</b>
<b>Operating Expenses</b>						
Salaries, Wages & Benefits		1,420,773	1,480,925	4	3,125,399	47
Supplies		306,011	315,205	3	660,142	48
Services-Professional, Repairs, Utilities		1,085,492	1,208,054	11	5,252,934	23
Intergovernmental Services, Taxes, & Fees		1,289,958	1,041,381	-19	2,320,187	45
Interfund-Warehouse & Services		1,518,168	1,496,296	-1	3,235,640	46
<b>Total Operating Expenses</b>		<b>5,620,402</b>	<b>5,541,861</b>	<b>-1</b>	<b>14,594,302</b>	<b>38</b>
<b>Capital and Debt Expenses</b>						
Capital Outlay		1,964,605	2,528,401	29	11,340,556	22
Debt-(Principal & Interest), Interfund Loans, & Transfers		189,652	154,818	-18	2,212,802	7
<b>Total Capital and Debt Expenses</b>		<b>2,154,257</b>	<b>2,683,219</b>	<b>25</b>	<b>13,553,358</b>	<b>20</b>
<b>Total Expenses</b>		<b>7,774,659</b>	<b>8,225,080</b>	<b>6</b>	<b>28,147,660</b>	<b>29</b>
<b>Projected/Budgeted Ending Balance</b>	\$	<b>19,929,315</b>	<b>\$ 18,565,295</b>	<b>-7%</b>	<b>\$ 8,031,471</b>	<b>231%</b>

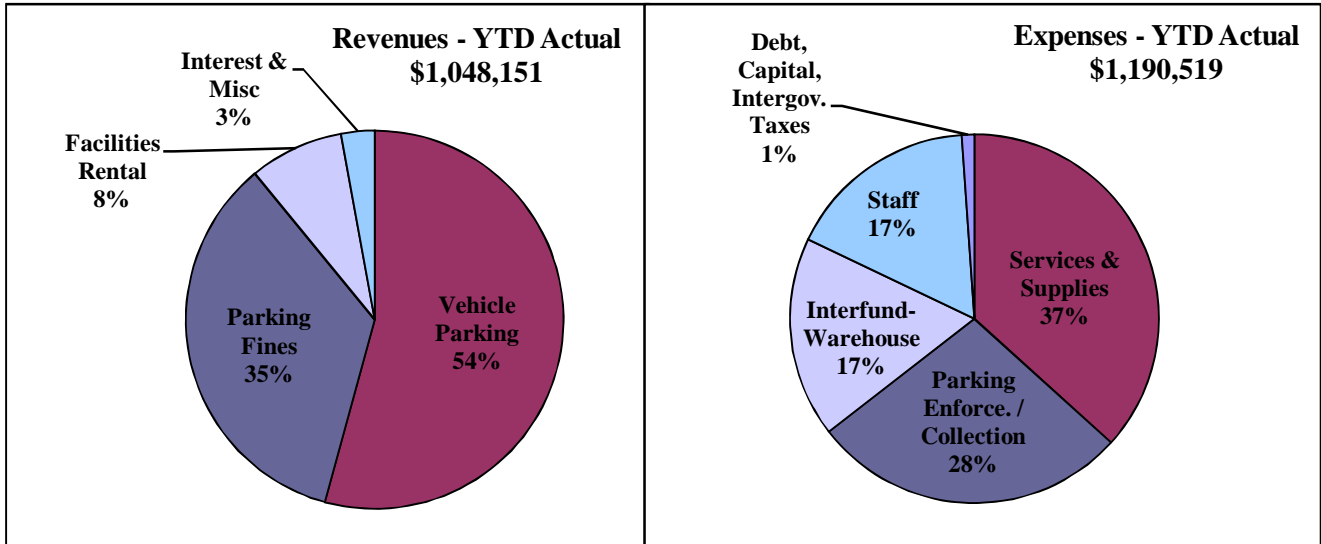


(1) 2009: Wastewater utility rates increased in FY 2009, resulting in increased utility revenue as compared to the prior year.  
(2) 2008: Includes one time sewer hook up fee of \$2 million for Encogen Northwest Plant.

Water/Sewer Revenue Bonds have a "Coverage Requirement" that net revenues of the combined funds be at least 1.25 times the Maximum Annual Debt Service of \$2,351,923. Net Revenue is defined as revenue (utility related income and investment earnings), less expenses (maintenance and operations, less depreciation and capital items). At 12/31/08, the ratio was 6.13. At 6/30/09, the ratio is estimated at 5.44.

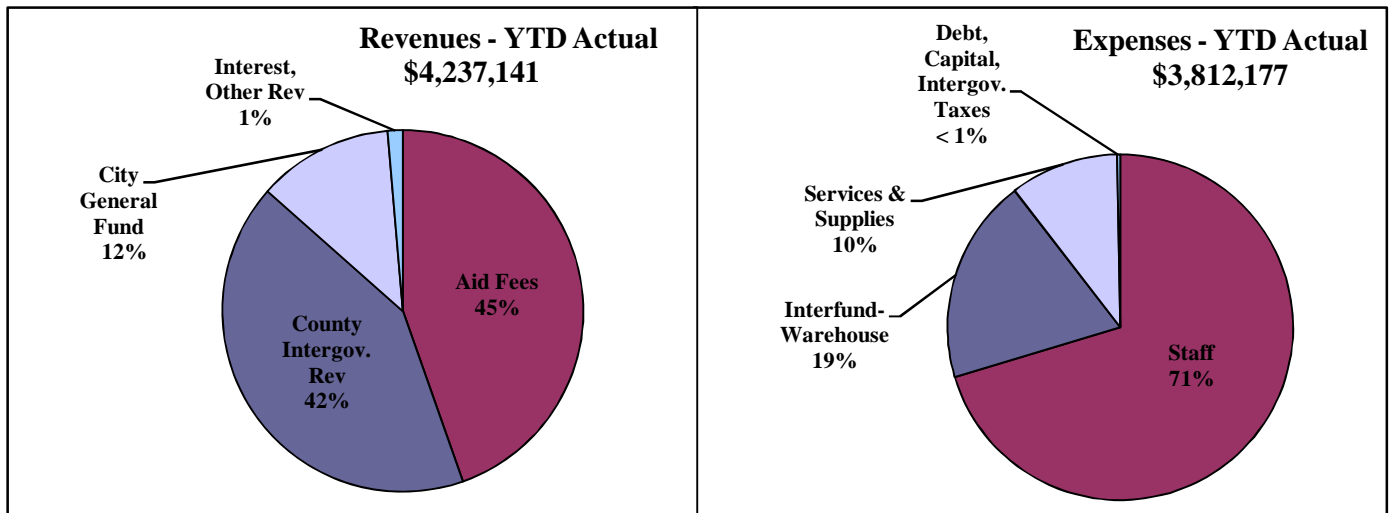
**June 2009  
City of Bellingham  
Parking Services Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Parking Fund #465, Enterprise</b>					
<b>Budgeted Beginning Balance</b>	\$ 1,902,902	\$ 999,969	-47%	\$ 999,969	100%
<b>Revenues</b>					
Vehicle Parking	594,541	568,581	-4	1,476,082	39
Parking Infraction Fines	363,437	365,128	0	850,000	43
Facilities Rental	82,545	84,573	2	134,111	63
Investment Interest	51,131	20,804	-59	91,945	23
Miscellaneous Revenues	11,636	9,065	-22	19,700	46
<b>Total Revenues</b>	<b>1,103,290</b>	<b>1,048,151</b>	<b>-5</b>	<b>2,571,838</b>	<b>41</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	179,461	200,338	12	436,461	46
Supplies	52,563	30,171	-43	153,275	20
Services-Professional, Repairs, Utilities	134,610	406,892	202	770,855	53
Intergovernmental Services, Taxes, & Fees	1,797	3,854	114	9,770	39
Parking Infraction Enforcement/Collection	318,546	331,046	4	662,091	50
Interfund-Warehouse & Services	136,917	209,148	53	354,902	59
<b>Total Operating Expenses</b>	<b>823,894</b>	<b>1,181,449</b>	<b>43</b>	<b>2,387,354</b>	<b>49</b>
<b>Capital and Debt Expenses</b>					
Capital Outlay	23,565	-	-100	-	0
Debt-(Principal & Interest), Interfund Loans, & Transfers	11,127	9,070	-18	128,140	7
<b>Total Capital and Debt Expenses</b>	<b>34,692</b>	<b>9,070</b>	<b>-74</b>	<b>128,140</b>	<b>7</b>
<b>Total Expenses</b>	<b>858,586</b>	<b>1,190,519</b>	<b>39</b>	<b>2,515,494</b>	<b>47</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 2,147,606</b>	<b>\$ 857,601</b>	<b>-60%</b>	<b>\$ 1,056,313</b>	<b>81%</b>



**June 2009  
City of Bellingham  
Medic One Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Medic One Fund #470, Enterprise</b>					
<b>Budgeted Beginning Balance</b>	\$ 579,521	\$ 770,281	33%	\$ 770,281	100%
<b>Revenues</b>					
Special Purpose Tax (1)	293,274	259,051	-12	552,275	47
Less Transfers of Special Purpose Tax to Whatcom Cty (1)(a)	(293,274)	(259,051)	-12	(552,275)	47
Ambulance & Emergency Aid Fees	1,722,435	1,890,830	10	3,420,812	55
City of Bellingham - General Fund	507,976	513,055	1	1,026,110	50
Intergovernmental Revenue - Whatcom County & others (2)	1,620,523	1,775,647	10	3,365,174	53
Investment Interest	36,077	33,901	-6	62,581	54
Other Revenues & Financing Sources	30,244	23,708	-22	1,000	2371
<b>Total Revenues</b>	<b>3,917,255</b>	<b>4,237,141</b>	<b>8</b>	<b>7,875,677</b>	<b>54</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	1,958,847	2,682,225	37	5,178,123	52
Supplies	197,025	185,625	-6	589,640	31
Services-Professional, Repairs, Utilities	146,738	202,279	38	448,157	45
Intergovernmental Services, Taxes, & Fees	10,675	10,530	-1	41,894	25
Interfund-Warehouse & Services	710,582	731,518	3	1,457,731	50
<b>Total Operating Expenses</b>	<b>3,023,867</b>	<b>3,812,177</b>	<b>26</b>	<b>7,715,545</b>	<b>49</b>
<b>Capital &amp; Debt Expenses</b>					
Capital Outlay	-	-	0	369,286	0
Debt-(Principal & Interest), Interfund Loans, & Transfers	-	-	0	-	0
<b>Total Capital &amp; Debt Expenses</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>369,286</b>	<b>0</b>
<b>Total Expenses</b>	<b>3,023,867</b>	<b>3,812,177</b>	<b>26</b>	<b>8,084,831</b>	<b>47</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 1,472,909</b>	<b>\$ 1,195,245</b>	<b>-19%</b>	<b>\$ 561,127</b>	<b>213%</b>



(1) City share of a 0.1% sales tax increase for EMS (effective April 2006).

(1)(a) City share of tax is directly remitted to the Whatcom County EMS Fund as an intergovernmental transfer.

(2) 2009: Per Interlocal Agreement, Whatcom County has contributed \$688K from its General Fund and \$994K from the Whatcom County EMS Fund through 6/30/09.

**June 2009**  
**City of Bellingham**  
**Internal Service Funds, Revenue/Expenditure Summary**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Purchasing &amp; Materials Mgt Fund #520</b>					
Budgeted Beginning Balance	\$ 428,628	\$ 480,654	12%	\$ 480,654	100%
Revenues	1,079,119	1,085,753	1	2,267,830	48
Expenses	995,047	1,008,592	1	2,131,150	47
Projected/Budgeted Ending Balance	\$ 512,700	\$ 557,815	9%	\$ 617,334	90%

<b>Facilities Administration Fund #530</b>					
Budgeted Beginning Balance	\$ 1,198,122	\$ 1,310,659	9%	\$ 1,310,659	100%
Revenues	1,102,820	1,135,179	3	2,127,261	53
Expenses	997,972	1,331,322	33	2,998,846	44
Projected/Budgeted Ending Balance	\$ 1,302,970	\$ 1,114,516	-14%	\$ 439,074	254%

<b>Telecommunication Fund #540</b>					
Budgeted Beginning Balance	\$ 955,032	\$ 511,032	-46%	\$ 511,032	100%
Revenues	240,706	173,714	-28	404,805	43
Expenses*	627,323	168,994	-73	398,216	42
Projected/Budgeted Ending Balance	\$ 568,415	\$ 515,752	-9%	\$ 517,621	100%

\*2009: Decrease in expenses from the prior year largely attributable to one time project expenses in FY 2008 relating to the installation of a new Citywide telephone system.

<b>Claims &amp; Litigation Fund #550</b>					
Budgeted Beginning Balance	\$ 4,944,015	\$ 4,558,617	-8%	\$ 4,558,617	100%
Revenues	505,604	533,266	5	1,235,982	43
Expenses	503,080	203,191	-60	1,086,600	19
Projected/Budgeted Ending Balance	\$ 4,946,539	\$ 4,888,692	-1%	\$ 4,707,999	104%

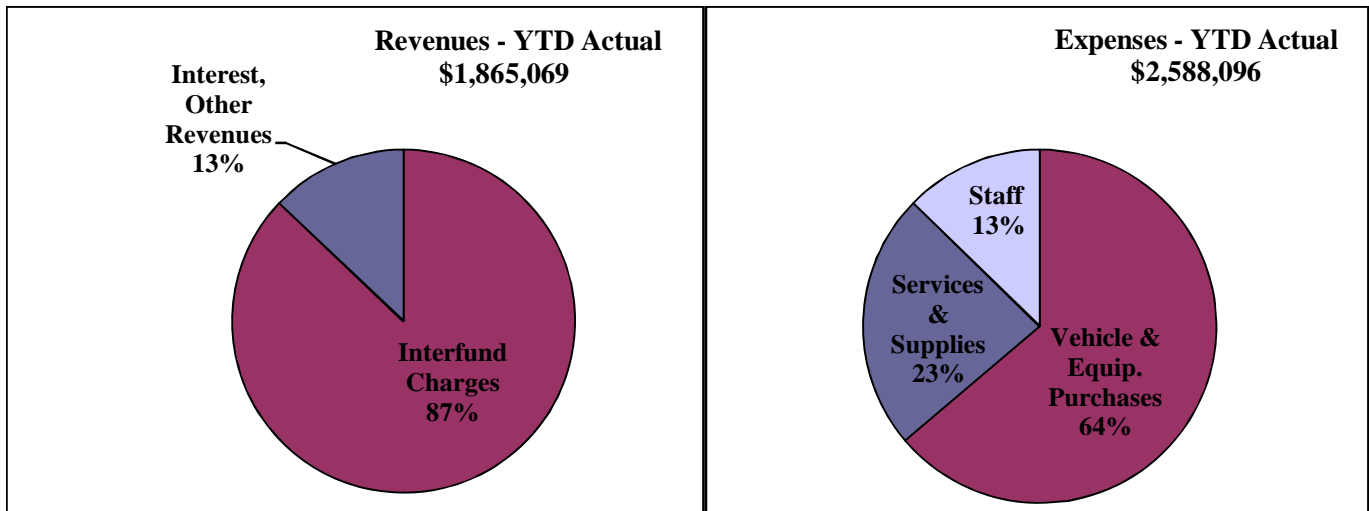
<b>Unemployment Compensation Fund #561</b>					
Budgeted Beginning Balance	\$ 275,296	\$ 223,840	-19%	\$ 223,840	100%
Revenues	6,157	60,897	889	68,584	89
Expenses	32,435	46,835	44	158,385	30
Projected/Budgeted Ending Balance	\$ 249,018	\$ 237,902	-4%	\$ 134,039	177%

<b>Worker's Comp Self-Insurance Fund #562</b>					
Budgeted Beginning Balance	\$ 913,892	\$ 865,003	-5%	\$ 865,003	100%
Revenues	307,321	313,611	2	582,536	54
Expenses	346,179	369,493	7	766,407	48
Projected/Budgeted Ending Balance	\$ 875,034	\$ 809,121	-8%	\$ 681,132	119%

<b>Health Benefits Fund #565</b>					
Budgeted Beginning Balance	\$ 1,272,460	\$ 1,502,465	18%	\$ 1,502,465	100%
Revenues	5,035,099	6,009,904	19	10,910,559	55
Expenses	4,952,005	5,283,484	7	11,128,298	47
Projected/Budgeted Ending Balance	\$ 1,355,554	\$ 2,228,885	64%	\$ 1,284,726	173%

**June 2009**  
**City of Bellingham**  
**Fleet Fund Operating Statement**

Fleet Fund #510, Internal Service	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 5,675,532	\$ 5,897,881	4%	\$ 5,897,881	100%
<b>Revenues</b>					
Operating Revenues - Interfund	(1) 3,906,854	1,623,703	-58	3,092,865	52
Investment Interest	136,206	105,942	-22	204,011	52
Other Miscellaneous Revenues	5,054	-	-100	-	0
Other Financing Sources	135,373	135,424	0	200,000	68
<b>Total Revenues</b>	<b>4,183,487</b>	<b>1,865,069</b>	<b>-55</b>	<b>3,496,876</b>	<b>53</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	318,382	329,300	3	685,637	48
Supplies	164,896	156,067	-5	332,863	47
Services-Professional, Repairs, Utilities	107,192	99,644	-7	236,589	42
Interfund-Parts, Services & Supplies	326,319	352,193	8	777,773	45
<b>Total Operating Expenses</b>	<b>916,789</b>	<b>937,204</b>	<b>2</b>	<b>2,032,862</b>	<b>46</b>
<b>Capital &amp; Debt Expenses</b>					
Capital Outlay - Vehicles & Equipment	596,184	1,650,892	177	2,902,267	57
Debt-(Principal & Interest), Interfund Loans, & Transfers	-	-	0	-	0
<b>Total Capital &amp; Debt Expenses</b>	<b>596,184</b>	<b>1,650,892</b>	<b>177</b>	<b>2,902,267</b>	<b>57</b>
<b>Total Expenses</b>	<b>1,512,973</b>	<b>2,588,096</b>	<b>71</b>	<b>4,935,129</b>	<b>52</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 8,346,046</b>	<b>\$ 5,174,854</b>	<b>-38%</b>	<b>\$ 4,459,628</b>	<b>116%</b>



(1) 2008: Includes a transfer in from the General Fund of \$2.25 million for fire truck replacement purchases.

**June 2009**  
**City of Bellingham**  
**Cash and Investments Report**

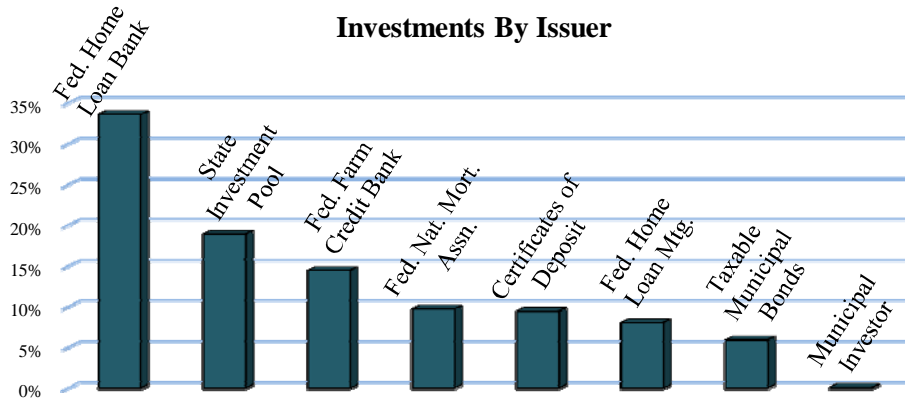
<b>Unrestricted-Cash &amp; Investments</b>	Prior Month Ending Bal.	Cash Increase	Cash Decrease	Current Ending Bal.
General Fund	\$ 10,350,196	\$ 5,000,452	\$ 5,537,909	\$ 9,812,739
General Fund Reserve	8,525,059	32,223	-	8,557,282
Street	10,149,063	1,431,197	1,712,037	9,868,223
Arterial, Paths - Street Funds	342,719	173	261,330	81,562
Technology Replacement and Reserve	2,041,530	7,666	33,632	2,015,564
Park Acquisition	243,983	922	-	244,905
Capital Maintenance	3,707,966	234,111	455,469	3,486,608
Library Gift	57,166	1,132	1,562	56,736
Settlement Funds	1,484,640	5,575	16,610	1,473,605
Real Estate Excise Tax Funds	6,320,076	165,402	373,827	6,111,651
Police Special Revenue Funds	830,622	3,032	36,595	797,059
Public Safety Dispatch	1,361,228	763,225	331,517	1,792,936
Park Funds	10,401,611	557,489	81,155	10,877,945
Tourism	381,370	70,696	69,979	382,087
Community Development Block Grant	(191,700)	306,799	86,785	28,314
Home Investment Partnership Grant	(140,756)	136,557	6,249	(10,448)
<b>Debt &amp; LID Funds</b>	<b>652,341</b>	<b>424,771</b>	<b>469,931</b>	<b>607,181</b>
Construction- Civic Field	139,473	527	300	139,700
Water	5,309,313	1,492,920	1,549,961	5,252,272
Wastewater	14,612,188	1,522,644	1,778,282	14,356,550
Storm/Surface Water Utility	3,869,953	411,927	551,055	3,730,825
Solid Waste	7,301,429	159,012	85,140	7,375,301
Cemetery	15,577	45,183	57,507	3,253
Golf Course	118,064	28,873	25,690	121,247
Parking Services	975,087	178,183	231,990	921,280
Medic One	1,364,102	701,412	820,748	1,244,766
Development Services	574,644	271,862	159,692	686,814
Fleet Administration	5,577,415	774,770	1,150,223	5,201,962
Purchasing/Material Management	595,603	158,478	155,047	599,034
Facilities Administration	1,147,619	176,289	183,037	1,140,871
Telecommunications	521,886	28,754	24,049	526,591
Claims and Litigation	4,824,453	84,509	20,234	4,888,728
Unemployment Compensation	217,344	20,706	148	237,902
Workers Comp Self-Insurance	770,628	52,575	90,527	732,676
Health Benefits	2,173,297	924,244	885,700	2,211,841
Fire and Police Pension Funds	9,195,087	290,920	221,296	9,264,711
Trust & Deposit Funds	2,133,033	876,233	2,399,021	610,245
Payroll & Accounts Payable Funds	3,774,247	14,600,611	14,617,138	3,757,720
Greenways Endowment	3,191,338	76,797	32,341	3,235,794
Natural Resources Protect & Restore	1,587,072	5,987	4,106	1,588,953
<b>Total Cash &amp; Investments</b>	<b>126,505,966</b>	<b>32,024,838</b>	<b>34,517,819</b>	<b>124,012,985</b>
<b>Restricted Cash &amp; Investments -Debt, Construction</b>				
Water (Restricted for Debt & Construction)	10,598,860	216,189	34,940	10,780,109
Wastewater (Restricted for Debt & Constr)	3,920,726	285,955	11,063	4,195,618
Solid Waste - Restricted for Debt Svc P&I	348,455	58,076	198,455	208,076
Cemetery - Preneed Trust & Endowed Care	492,126	2,715	-	494,841
Parking - Restricted for Debt Svc P&I	76,357	10,678	-	87,035
<b>Total Restricted Cash &amp; Investments</b>	<b>15,436,524</b>	<b>573,613</b>	<b>244,458</b>	<b>15,765,679</b>
<b>Total City Funds Available</b>	<b>\$ 141,942,490</b>	<b>\$ 32,598,451</b>	<b>\$ 34,762,277</b>	<b>\$ 139,778,664</b>
<b>Discrete Component Units (Restricted)</b>				
Public Facilities District	\$ 2,394,641	\$ 465,405	\$ 841,357	\$ 2,018,689
Public Development Authority	19,092	46	7,908	11,230
<b>Total Discrete Component Unit Funds</b>	<b>\$ 2,413,733</b>	<b>\$ 465,451</b>	<b>\$ 849,265</b>	<b>\$ 2,029,919</b>

**June 2009  
City of Bellingham  
Investment Summary**

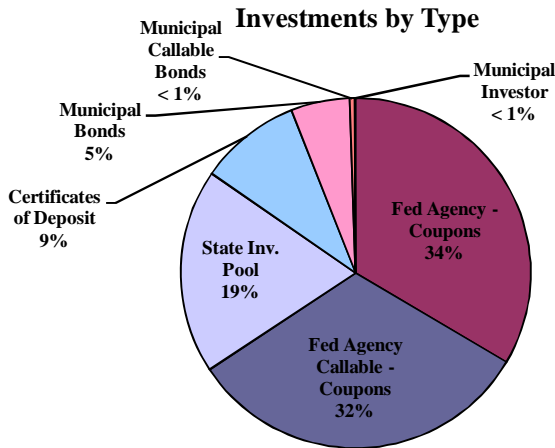
<b>Portfolio Summary</b>	<b>Book Value</b>	<b>Term in Years</b>	<b>YTM/C 365Equiv.</b>
<b>Investments By Type</b>			
State Investment Pool	\$ 26,114,303	0.0	0.74%
Municipal Investor	98,646	0.0	0.25%
Certificates of Deposit	13,000,000	0.9	1.52%
Federal Agency Issues - Coupon	46,285,894	2.0	2.91%
Federal Agency Callable Issues - Coupon	44,525,074	4.2	4.02%
Municipal Bonds	7,482,306	2.6	4.40%
Municipal Callable Bonds	674,502	3.5	5.00%
<b>Investments - Total &amp; Average</b>	<b>\$138,180,725</b>	<b>2.3</b>	<b>2.78%</b>
Year to Date Interest Received	\$ 2,609,713		
Year to Date Interest Earned	\$ 2,713,538		
Effective Rate of Return on Interest Earned	3.28%		

Note: This report details all investments managed by the City of Bellingham, which includes funds held by the Bellingham Whatcom Public Facilities District and the Public Development Authority, which are legally separate from the City.

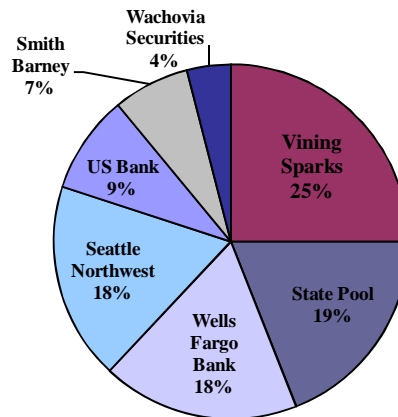
**Investments By Issuer**



**Investments by Type**



**Investments by Dealer**



<b>Investment Activity Summary</b>	<b>Total Securities</b>	<b>Total Investment Book Value</b>	<b>YTM 365 Equivalent</b>	<b>State Pool Rate</b>	<b>3-Yr. Rolling 2-Year Treasury</b>
December 2003	64	\$104,748,821	2.46%	1.07%	2.68%
December 2004	53	118,805,167	2.64%	2.07%	2.20%
December 2005	59	130,861,088	3.48%	4.16%	2.61%
December 2006	49	131,701,705	4.71%	5.21%	3.67%
December 2007	52	157,866,765	4.87%	4.56%	4.34%
December 2008	51	142,696,311	3.68%	1.82%	3.66%
January 2009	50	141,709,831	3.34%	1.27%	3.56%
February 2009	48	141,637,749	3.15%	1.07%	3.46%
March 2009	44	136,003,941	3.10%	1.03%	3.35%
April 2009	44	139,014,965	2.94%	0.89%	3.24%
May 2009	42	142,828,806	2.75%	0.67%	3.12%
June 2009	41	\$138,180,725	2.82%	0.74%	3.01%

## City of Bellingham Discrete Component Units

### June 2009 The Bellingham Whatcom Public Facilities District Operating Statement

Public Facilities District	Prior YTD	Current YTD	Percent Change	Annual Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 11,775,339	\$ 4,152,327	-65%	\$ 4,152,327	100%
<b>Revenues</b>					
Sales Tax Rebate	550,285	487,254	-11	1,185,769	41
Interest Income	239,713	62,659	-74	46,905	134
Other Income	3,630	3,651	1	2,544	144
Grant Revenue	-	373,903	100	758,809	49
Misc Revenue	-	37,545	100	-	100
<b>Total Revenues</b>	793,628	965,012	22	1,994,027	48
<b>Operating Expenditures</b>					
Salaries & Benefits	34,407	29,535	-14	73,404	40
Supplies & Miscellaneous	365	191	-48	840	23
Insurance	5,459	3,379	-38	5,623	60
Services-Professional, Repairs, Utilities	13,853	13,838	0	23,271	59
Intergovernmental Services	212,649	4,026	-98	735,874	1
<b>Total Operating Expenditures</b>	266,733	50,969	-81	839,012	6
<b>Capital and Debt Expenditures</b>					
Capital Costs	4,782,403	2,646,228	-45	4,311,135	61
Debt-Principal & Interest	186,590	567,243	204	537,597	106
<b>Total Capital and Debt Expenditures</b>	4,968,993	3,213,471	-35	4,848,732	66
<b>Total Expenditures</b>	5,235,726	3,264,440	-38	5,687,744	57
<b>Projected/Budgeted Ending Balance</b>	\$ 7,333,241	\$ 1,852,899	-75%	\$ 458,610	404%

### June 2009 Bellingham Public Development Authority\* Operating Statement

Public Development Authority	Prior YTD	Current YTD	Percent Change	Annual Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	N/A	\$ 7,610	N/A	\$ 7,610	100%
<b>Revenues</b>					
Interest Income	N/A	133	N/A	-	100
Other Income	N/A	50,000	N/A	350,000	14
<b>Total Revenues</b>	N/A	50,133	N/A	350,000	14
<b>Operating Expenditures</b>					
Salaries & Benefits	N/A	6,902	N/A	134,430	5
Supplies & Miscellaneous	N/A	2,583	N/A	16,110	16
Insurance	N/A	3,664	N/A	-	100
Services-Professional, Repairs, Utilities	N/A	33,368	N/A	189,460	18
Intergovernmental Services	N/A	495	N/A	10,000	5
<b>Total Operating Expenditures</b>	N/A	47,012	N/A	350,000	13
<b>Capital and Debt Expenditures</b>					
Capital Costs	N/A	-	N/A	-	0
Debt-Principal & Interest	N/A	-	N/A	-	0
<b>Total Capital and Debt Expenditures</b>	N/A	-	N/A	-	0
<b>Total Expenditures</b>	N/A	47,012	N/A	350,000	13
<b>Projected/Budgeted Ending Balance</b>	N/A	\$ 10,731	N/A	\$ 7,610	141%

\*The PDA began operations in the Fall of 2008.